



***Pacific Gas and
Electric Company***

Christopher P. Johns
President

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October 27, 2010

The Honorable Jim Ruane
Mayor of San Bruno
567 El Camino Real
San Bruno, CA 94066

Dear Mayor Ruane:

Thank you and City Manager Connie Jackson for meeting with me last week to continue the discussion around how PG&E can support the City of San Bruno and its residents in the ongoing efforts to rebuild following the tragic accident of September 9.

As we discussed during our meeting, PG&E understands that no one wants the damaged section of Line 132 rebuilt at its current location. We know residents in this neighborhood have suffered a terrible trauma and the pipe is a horrible reminder. On behalf of PG&E, I want to reiterate to you and the residents of your city that you have our commitment that PG&E will not rebuild the damaged section of Line 132 in its current location.

You and the City have demonstrated tremendous leadership in the aftermath of this tragedy. All of us at PG&E have particularly appreciated the assistance we have received on multiple fronts as we have worked to support your recovery efforts. We look forward to continuing to work closely together. Indeed, as we agreed last week, the City's input and assistance will be essential in helping us identify an alternative route for the damaged section of Line 132.

Ensuring that residents on the Peninsula have access to safe, reliable natural gas is a fundamental commitment for our company. Nearly one million people there – 20 percent of all our gas customers – depend on PG&E's system for this critical service. The three transmission lines on the Peninsula are the backbone of this network, ensuring the system is as robust as it must be to satisfy the needs of homes and businesses, particularly in times of heavy demand.

Your commitment to provide input and assistance is crucial as we develop a relocation strategy that takes into account the considerations of San Bruno and enables customers on the Peninsula to have confidence in both the safety and reliability of the system.

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As further evidence of our commitment to this goal, two weeks ago we announced our Pipeline 2020 program, which outlines a number of steps that we will be taking to modernize our natural gas transmission system. Two areas of this program involve installation of automatic or remotely controlled shutoff valves and a commitment to advance the state of the art in pipeline inspection techniques. We believe the installation of automatic or remotely controlled shutoff valves will enhance the safety of our pipelines, especially in high consequence areas, such as San Bruno, and we look forward to your support as we move the Pipeline 2020 program through the approval process.

We know such measures are a priority for your community and others on the Peninsula in particular. As we move forward with implementing future steps, please be assured that the high level of local interest in these measures will be a factor that weighs appropriately in our planning.

Thank you again for our meeting and for your assistance. I look forward to continuing our dialogue and working with you as we fulfill our commitment to help restore and rebuild San Bruno.

Sincerely,

A handwritten signature in cursive script that reads "Chris Johns".

Chris Johns, President
Pacific Gas and Electric Company